

Message Text

CONFIDENTIAL

PAGE 01 SEOUL 06877 170159Z

13

ACTION PM-03

INFO OCT-01 EA-06 ISO-00 CIAE-00 INR-05 NSAE-00 RSC-01

DODE-00 MC-01 EB-04 COME-00 TRSE-00 OMB-01 ACDA-05

AID-05 DRC-01 L-01 /034 W
----- 017400

R 170009Z OCT 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 6464

INFO CINCPAC

C O N F I D E N T I A L SEOUL 6877

E.O. 11652: GDS

TAGS: MASS, KS

SUBJECT: F5E COPRODUCTION

1. NORTHROP REPRESENTATIVES HAVE COMPLETED FIVE DAYS BRIEFING IN WHICH THEY PRESENTED DETAILS OF THEIR F5E COPRODUCTION PROPOSAL TO ROKAF, MND, AGENCY FOR DEFENSE DEVELOPMENT AND BLUE HOUSE OFFICIALS. NORTHROP PROMISED ROKS THAT IF THEY SIGN CONTRACT BY JANUARY 1975 COMPANY WOULD DELIVER F5ES FROM U.S. PLANTS AS EARLY AS SEPTEMBER, 1976 AND THAT ROKS COULD EXPECT FIRST COPRODUCED AIRCRAFT BY SEPTEMBER, 1977. NORTHROP'S TOTAL COST ESTIMATE FOR COPRODUCING 100 F5ES (WITH NO DELIVERY FROM U.S.), DOWN FROM ORIGINAL ESTIMATE OF \$465.4 MILLION TO \$413.2 MILLION. NORTHROP REPS RECOMMENDED MIXED FMS/ COMMERCIAL ARRANGEMENT SIMILAR TO ONE WITH CHINA AND URGED ROKG TO MAKE DECISION AND DOWNPAYMENT BY JANUARY IN ORDER SAVE \$2.5 MILLION PER MONTH PRICE INCREASE EXPECTED AFTER JANUARY AND TO SPEED UP DELIVERY SCHEDULE.

2. ROKAF AND BLUE HOUSE RESPONDED ESTABLISHING A COMMITTEE TO DEVELOP ON A PRIORITY BASIS A RESPONSE TO NORTHROP PROPOSAL. NORTHROP REPS PLANNING TO RETURN IN THREE WEEKS TO PRESENT FURTHER DETAILS REGARDING AIRCRAFT ACCESSORIES AND TO DISCUSS WON/DOLLAR BREAKDOWN.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SEOUL 06877 170159Z

3. IN BRIEFING SESSIONS WITH EMBASSY AMBASSADOR
POINTED OUT IMPORTANCE OF WORKING OUT AT EARLY DATE
DETAILS FOR MEMORANDUM OF UNDERSTANDING AND QUESTIONS
REGARDING WON/DOLLAR BALANCE AND DOLLAR FLOW. THESE
WOULD BE IMPORTANT IN REACHING DECISIONS ON FINANCING.
AMBASSADOR ALSO REMINDED NORTHROP REPS THAT WASHINGTON
HAD NOT YET CONSIDERED OWN DECISION REGARDING
CONTRACTING AND FINANCING AND THAT THIS WAS KEY PART
OF EQUATION.

4. NORTHROP PEOPLE TOLD EMBASSY ON DEPARTURE THAT THEY
FELT REALLY ENCOURAGED BY ROK RESPONSE FOR FIRST TIME IN
NINE MONTHS.
SNEIDER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRODUCTION, MILITARY AIRCRAFT, INDUSTRIAL PLANTS, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL06877
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740295-0179
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741039/aaaabgtx.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by kelleyw0>; APPROVED <13 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: F5E COPRODUCTION
TAGS: MASS, KS, NORTHROP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005